

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:

RAUL MARRERO,

REEDEN CAPITAL GROUP, INC., and

MULTI FAMILY THREE, LLC

their partners, officers and directors, agents,

employees, affiliates, successors, members

and assigns.

File Number: 0600524

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENTS:

Raul Marrero
600 North Kingsbury
Chicago, Illinois 60610
And
Reeden Capital Group, Inc.
17 W. 240 22nd Street
Suite 400
Oakbrook Terrace, Illinois 60181
And
Multi Family Three, LLC.
17 W. 240 22nd Street
Suite 400
Oakbrook Terrace, Illinois 60181

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. Respondent Raul Marrero (at times hereinafter "RM" or collectively with Reeden and MF "Respondents") has a last known address of 600 N. Kingsbury, Chicago, Illinois 60610.
2. Respondent Reeden Capital Group, Inc. (at times hereinafter "Reeden" or collectively with RM and MF "Respondents") was, at all times relevant herein, an Illinois Corporation, with a last known address of 17 W. 240 22nd Street, Suite 400, Oakbrook Terrace, Illinois 60181.

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3. Respondent Multi Family Three, LLC (at times hereinafter "MF" or collectively with RM and Reeden "Respondents") was, at all relevant times herein an Illinois Limited Liability Company with a last known address of 17 W 240 22nd Street, Suite 400, Oakbrook Terrace, Illinois 60181.
4. At all times relevant herein Respondent Raul Marrero was the CEO of Respondent Reeden and a Manager of Respondent MF and as such authorized to enter into contracts on their behalf.
5. On May 1, 2007 Respondents MF and RM sold to Investor 1 a Note or Investment Contract in the principal amount of \$150,000 with interest of 12% per annum and monthly payments of \$1500 beginning on June 1, 2007 and continuing until the interest and principal are paid in full.
6. On March 7, 2008 Respondents MF and Reeden offered and sold an oral Investment Contract or Note to at least one Illinois resident ("Investor 2") in exchange for the cash sum of \$468,000 and liquidation of debt (the "Transaction").
7. On March 7, 2008 Respondents MF and Reeden memorialized the Transaction at paragraph 6 by the issuance of three Notes, each in the amount of \$400,000 principal, with a term of one year, with annual interest of 12% (monthly interest of \$4000) to be paid beginning April 11, 2008 and continuing until the interest and principal are paid in full.
8. The activities described above in paragraphs 5, 6 and 7 constitute the offer and sale of notes or securities as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

FAILURE TO REGISTER SECURITIES

9. Section 5 of the Act provides *inter alia* that all securities except those exempt under Section 3 or those offered and sold under Section 4 shall be registered either by coordination or by cooperation prior to their offer or sale in the State of Illinois.
10. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
11. Section 12.A of the Act provides *inter alia* that it shall be a violation for any person to offer and sell any security except in accordance with the provisions of the Act.
12. Section 12.D of the Act provides *inter alia* that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act

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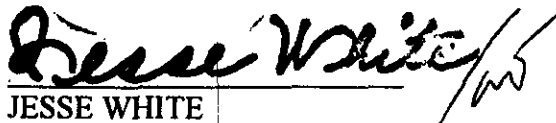
13. By virtue of the foregoing Respondents have violated Sections 12.A and 12.D of the Act.
14. The aforementioned findings are based upon credible evidence.
15. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
16. The entry of this Temporary Order of Prohibition prohibiting Respondents, or their agents, affiliates, successors, employees, members and assigns from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents Raul Marrero, Reeden Capital Group, Inc., and Multi Family Three, LLC, their partners, officers and directors, agents, employees, affiliates, successors, managers and assigns are **Temporarily Prohibited** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition for sixty (60) days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 5th day of May 2008.


JESSE WHITE
Secretary of State
State of Illinois

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Attorney for the Secretary of State:

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